



Request for Proposals

USADF and GE Power Africa Off-Grid Energy Challenge

September 17, 2013

HISTORY OF POWER AFRICA AND THE OFF-GRID ENERGY CHALLENGE

Power Africa is a new US government, interagency, presidential initiative to accelerate and diversify the economic growth in Sub-Saharan Africa through increased power generation and distribution of reliable, affordable and sustainable power and helping to ensure responsible, transparent and effective management of energy resources. Among the goals of Power Africa are:

- Increasing access to electricity
- Increasing power generation
- Catalyzing investment in the power sector
- When possible, increasing renewable power generation and lowering use of diesel, charcoal and wood fuel.

This Off-Grid Energy Challenge initiative is designed to achieve the following results:

- Increase electrical generation;
- Increase electricity access – including a focus on off-grid or micro-grid solutions;
- Increase individual and business access to electrical power;
- Specially focus on off-grid solutions that employ renewable resources and power economic activities. While this may include power to meet household consumer needs, emphasis will be put on the delivery of power to productive or commercial activities including agricultural production and processing, off-farm businesses, commercial enterprises, etc...

Introduction

The United States African Development Foundation (USADF) is pleased to partner with General Electric Africa (GE) in requesting proposals for the Power Africa Off-Grid Energy Challenge. Proposals of up to US \$100,000 per award will be considered and approximately five awards are anticipated for 2013.

For 2013 applications, applicants must be located and have their projects implemented in one of the following countries:

- Kenya
- Nigeria

Projects are to be focused on increasing sustainable energy access – particularly off-grid solutions – extending the delivery of electrification to un-served, underserved or marginalized communities in the target countries. Types of renewable energy technologies to be proposed may include but not limited to solar, biogas, biomass, hydro, wind, direct use geothermal and hybrid systems.

In this first round of competition, approximately five winning proposals will be selected, with the funding of each proposal up to a maximum of US \$100,000 .

ELIGIBILITY CRITERIA

USADF will consider proposals from 100% African owned and 100% African managed enterprises, associations or organizations. The organizations must not be government owned or operated in any way. Applicants may be developers of their own technology and/or may be acquiring and implementing technology developed elsewhere. Applicants need to be legally registered in the project country, demonstrate the capacity to track and manage the project resources and operate in good standing with their local government. Projects are not to exceed 12 months in duration.

Winning projects must:

- Further develop, scale up or extend use of proven technologies for off –grid energy.
- Benefit rural or urban populations currently underserved by utility companies.
- Demonstrate financial sustainability or the potential for financial sustainability.
- Have project sponsors with a proven track record of related experience.
- Bring leveraged funding from one or more source (other than USADF/GE) to meet the total financing requirements of the entire project.

Categories of Applicants:

- 1. Energy Service Providers** that propose to deliver energy to underserved, marginalized communities.
- 2. Community Associations, Cooperatives and Organizations**, that are looking to secure energy for sustainable uses. This could include acquiring a technology or service or energy to benefit its members/stakeholders/constituents.
- 3. Private Company Developing Energy Enabling Technology** such as metering, payment collection, systems transmission, etc.

Applications will not be considered if:

- They are not 100% African owned.
- They are not African managed.
- They do not express clearly how they will benefit marginalized, grassroots people in Kenya or Nigeria.
- They are not fully and legally registered in the country then are proposing to operate in.
- They do not meet the 12 month timeline required.
- They do not document adequate expertise in the field they are proposing or document how they will acquire the expertise to carry out the project.
- If it is not plainly documented how the concept is feasible to be carried out.

PROPOSALS

Project Design

Projects may include, but are not limited to:

1. Provide off-grid energy to rural or urban areas and populations currently lacking energy access.
2. Focus includes reaching un-served, underserved or marginalized populations
3. Project is to include power for economic activities and provide for financial sustainability.
 - For example, economic activities could include value addition through small scale value added processing. The actual or potential business impact is to be addressed in the proposal.
 - Some measure of financial return on investment, such as payback period, internal rate of return or other is to be included.
4. Demand driven: Is the project meeting a clearly known and unmet demand?
5. To be operated as a commercially viable business.
6. Funds are to be used to leverage non-USADF financing.

7. **In the case of a private company developing energy enabling technology,** funds may be used for business plans, studies to expand markets, test innovations or leverage financing with the goal of increasing service delivery of off-grid energy to marginalized populations.
8. Introducing innovative payment or collection systems that can extend the reach of service delivery to marginalized populations.
9. Projects (at least in this initial phase) are to be within only one country. Project must be located within the country of application.

Proposals are to be limited to a maximum of US \$100,000. Leveraged funds from other sources are required. Other sources of funds must be adequately documented to be considered.

Additional Project Design

Types of Projects to be considered:

- Productive use (not just household use). Solutions are to explain clearly how they will be commercially viable. It is expected that use of the power will address a business solution(s) that will generate ongoing revenue and profits to sustain the enterprise. This must be clearly explained in the proposal.
- Type of Renewable energy technologies to be proposed:
 - o Solar, biogas, biomass, hydro, wind, direct use geothermal and hybrid systems.
- Priority project Categories:
 - o Off-grid energy supply to marginalized populations currently (and in the foreseeable future) lacking access to energy
 - o Community based organization: This could include acquiring a technology or service to benefit the underserved community.
 - o Provision of innovative metering, payment systems or other enabling technology.
- Small Scale Projects
 - o Small scale power generation systems that provide an alternative to, or an enhancement of, national/regional grid connected electric transmission.
 - o Systems may involve captive generation, isolated distribution and/or grid connected (e.g. micro- or mini-grids).
 - o Ideally they can be replicated, are scalable and are affordable.
 - o Projects may not necessarily be for power generation only. They may include or even be limited to payment solutions including metering and payment systems, especially if they are an innovation in the country where they are proposed.
- Management/Ownership models
 - o Small and Medium Enterprises.
 - o Community based organizations, cooperatives, NGOs.
 - o Hybrid organizations as long as they do not include government ownership.

APPLICATION PROPOSAL TEMPLATE:

Applicant Background Information

- Name and ownership details
- Registration details
- Applicant history and legal address

Applicant Profile

- Current Activity
- Past Track Record of Accomplishments
- Past Financial performance including audited financial statements
- References

Proposal

- Project category
- Project location and target population
- Description of the problem the project addresses
- Project description
 - Goals, objectives and intended impact
 - Target market
 - Renewable energy technology type
- Management and technical team
- Project ownership and governance
- Challenges to date and plans to address those challenges
- Project timelines/milestones
- Financial Estimate
- Estimated Investment requirements
- Estimated return on investment
- Status of other investors/funders

Proposed Use of Grant Funds

- Description/narrative of the use of grant funds
- Budget line details (including use of matching funds)

The Application is not to exceed 12 pages (with font size not be to smaller than 10 points).

PROPOSAL ASSESSMENT AND PRIMARY SCORING CRITERIA

The following criteria will be used to assess and score the proposals. It is important that each criteria be fully addressed and clearly explained in the proposal.

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| 1. Likelihood of successful execution (potential viability of proposed concept) and capacity to execute. | 25% |
| 2. Significance of problem being addressed/Scale of potential impact/marginalized population reached. | 25% |

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| 3. Potential long term viability and financial results (including return on investment). | 25% |
| 4. Leveraging of financial resources. | 15% |
| 5. Applicants prior related experience, not limited to energy projects. | 10% |

Winning Applications will fully address the following:

In the project application, please make sure the following issues are addressed:

Under the Applicant profile:

1. Credibility and organizational soundness. This is to cover the organization that is applying as well as partners and key stakeholders.

Under the Project Description in the template:

2. Primary Impact: How will the power be available? Will the project increase access? Will the project increase efficiency and reliability?
3. Catalytic Impact: Does the project have potential for scalability, replicability or demonstration impact? How is the applicant's business model or team differentiated from others.
4. Project Viability: Is the project viable in terms of technical merit, bankability, affordability, return on investment, environmental impact, social impact and timeline?
5. Risk Assessment: What are the key risks facing the successful development, implementation and sustainability of the project?
6. Clean Energy Resources: Address how the project prioritizes emission reduction.
7. Policy environment: Does the project fit within the government strategy of the country where it will be implemented?

Under the Estimated Investment Requirements and/or the Status of other investors/funders:

8. Private Sector Leverage: How does the project utilize private sector investment and participation?
9. Indication of funding commitments.

APPLICATION PROCESS

All applicants are required to use the attached business proposal template. The completed proposal template along with the required documentation should be submitted by email on or before October 16th, 2013 to USADFOffGridEnergyChallenge@usadf.gov. Proposals will only be accepted at this email address.

TIMELINE

The open period for submission of applications will run from September 17th to October 16th, 2013. Proposals received after the closing date of September 17th will not be accepted. Winners are expected to be announced on or before November 21st, 2013.

Applications will be reviewed and evaluated by a panel of judges with expertise in the field. Shortlisted applications will be contacted in October and November for due diligence purposes and for clarification of project concept and details.

ABOUT USADF

USADF was established in 1980 to invest in Africans and their ideas. As defined in its founding legislation – USADF funds African enterprises, cooperatives and associations with a maximum grant size of \$250,000. Each year, USADF awards 12+ grants directly to cooperatives, SMEs and community-based organizations to build capacity and expand economic activities. In 16 countries with over 400 project grants, USADF is benefiting over a million and a half Africans. These people are marginalized by location, gender, ethnicity and other factors and underserved by public, financial and other resources including electricity. USADF operates as the only US agency centered on an African-led grassroots development model to encourage shared prosperity.